BANK OF ITALY
GUIDES

L'ECONOMIA PER TUTTI
BANCA D'ITALIA PER LA CULTURA FINANZIARIA

CURRENT ACCOUNTS

made easy

OPTIONS and COSTS

Account holder RIGHTS

Useful CONTACTS

Current accounts from A to Z

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The bank current account

A bank current account is a product that allows you to hold deposits with your bank, to carry out essential payment transactions – depositing funds, cash withdrawals, execution or receipt of payments, use of debit cards and personal cheques – and to access services such as direct deposit of salary payments or automatic bill payments.

Consumers can also hold payment accounts with non-bank entities such as Poste Italiane. This type of account is used for payment services, including online and smartphone payments.

The bank current account is the best-known type of payment account.

This guide illustrates the main features of current accounts. The words in orange – which indicates a hyperlink in the digital version of the guide – are defined in the glossary > Current accounts from A to Z.

An important tool for managing your money.

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How to choose a current account

Useful questions

What can I do with a current account?

A bank current account offers a number of services.

You can keep your money in the bank, and you can make deposits and withdrawals from your account at any time, as well as access services such as:

- direct deposit (>A-Z) of pension or salary payments;
- receipt of funds;
- execution of payments, such as credit transfers (>A-Z) and direct debits (>A-Z);
- automatic bill payment (>A-Z);
- use of debit or credit cards (>A-Z).

Internet banking, or home banking (>A-Z), allows you to carry out all your essential transactions via internet, without having to go to the bank. Phone banking (>A-Z), allows you to carry out banking transactions via your bank's call centre.

A bank current account also allows you to:

- take out an overdraft or credit facility (>A-Z), that is a loan attached to your current account (technically, this operation is called 'opening a current account credit facility'): this means that the bank makes an amount available on a customer's current account beyond the customer's balance (>A-Z), which is the sum of money deposited. The contract usually charges interest on the amount used, as well as a comprehensive fee;
- entrust the bank with the custody and management of the bonds in which you decide to invest: the bank can allow you to open a securities account (>A-Z) linked to your current account used to 'hold' the proceeds from the trading of financial instruments, such as government securities, investment fund shares, stocks and bonds;

- apply for a cheque book (see Bank Cheque >A-Z), although that is an increasingly obsolete service due to the spread of electronic payment instruments, such as credit transfers, direct debits and card payments. Personal cheques involve fees and possible charges for cheques that have been paid in but not cashed, or have not been cleared because they are uncovered, or have been stopped because they have been lost or stolen.

When you open a bank account, you should consider whether it is better for you to be the only owner, or whether to open a joint bank account with one or more **joint account holders** who will have the same access to the funds and to the services provided by the account as you do.

Remember that if you opt for a joint bank account, the joint account holders are considered co-owners of the funds in the account in equal shares. The contract must specify which transactions require the signature of all the account holders (joint signature) and which only require one (single signature).

Bank customer identification

When you open a bank account you are required to provide your bank with a specimen of your signature. This is necessary for verifying your identity when you carry out certain payment transactions, purchase securities or sign a cheque, for instance.

Even when you pay by card in a shop or when you use remote payment methods (for example, via smartphone, tablet or PC), you must be identifiable as the person who has a right to carry out these activities. The core principle of SCA – Strong Customer Authentication is in force in both cases; it identifies the customer through two or more elements ('two-factor authentication') from the following categories:

- **knowledge**: something only you know, such as a password or a PIN;
- **ownership**: something only you own, such as a USB stick or a smartphone;
- **inherency**: something unique to you, such as a fingerprint or facial recognition.

SCA provides payers and sellers with an advanced solution for reducing fraud because, in the event of theft or loss of the payment instrument, it makes its use by anyone other than the rightful owner more difficult.

In some cases, the law allows for payment transactions to be executed without SCA; for instance, in the case of low-risk payments (of small amounts) and of recurring transactions following a single authorization (such as subscription payments following the first instalment).

For remote payments (for example, via mobile, tablet or PC), which carry a higher risk than those executed in person, an extra security measure has been established, called dynamic linking, which is not visible to the user, but shields the identity of the customer and of the payee, as well as the amount to be paid, from fraud.

What payment instruments and services are attached to the account?

There are several payment instruments you can use to manage the money in your current account:

1. debit card, ('bancomat' in Italian), which allows you to withdraw cash from an ATM (Automated Teller Machine, [>A-Z]) and to pay either with a POS (Point of Sale, [>A-Z]) at participating shops, or at an ATM (e.g. for bills and phone credit);
2. credit card, which allows the holder to purchase – whether with a POS or online – goods and services from participating shops, as well as to withdraw cash from an ATM. In both cases, the payment is deferred, that is, the amount paid or withdrawn is charged to your account at a later date;
3. credit transfer, which allows you to move funds from one account to another;
4. bank cheque, through which you can order your bank to transfer a sum of money from your account to another person.

Do I really need a current account?

Before you open a current account, ask yourself whether your needs would not be better met by:

- a **prepaid card**, which allows you to withdraw cash from an ATM and to make purchases – whether in shops or online – up to the amount of money (electronic money) that you have prepaid to the card issuer;
- a basic account (>A-Z), which is a specific type of bank current account that only allows you to access essential banking services.

All consumers who are living in Italy legally have a right to a basic bank account; banks, Poste Italiane and other authorized providers of payment services must offer one. The all-inclusive annual fee covers a set number of transactions and payment services. It must be offered free of charge and be exempt from stamp duty to consumers whose ISEE (Indicator of household composition and financial situation) is currently below €11,600, and to those eligible for a gross annual pension income below €18,000 (for more information on costs, see the Table 'The costs of the different types of account' on p. 10);

- a current account from Poste Italiane (that is, a post office current account);
- a savings account;
- a payment account (>A-Z) from a payment institution or an e-money institution.

Payment institutions (PI) are intermediaries that are authorized providers of payment services; e-money institutions (EMI) are intermediaries that are, alongside banks and Poste Italiane, authorized issuers of electronic money (that is, prepaid cards) and may provide other payment services as well.

What is the difference between a bank current account and a savings account?

A bank current account and a savings account differ in three main ways:

1. Function: a bank current account allows you to manage your money (kept in the bank) on a daily basis, through withdrawals and deposits that can be carried out at any time, as the funds deposited are always available. It is also called 'a demand deposit account'. A savings account's function is the custody of money – like a current account – but also the investment of the funds deposited, which yield higher returns than those deposited in a current account; if the savings account is restricted by time – or unrestricted subject to a notice period – the funds are not available for withdrawal for a certain amount of time; the savings account is a useful and low-risk instrument for investing the money you don't need to access immediately.
2. Profit: the interest rate offered by a bank current account is generally either very low or non-existent; a savings account offers a higher interest rate, which may vary according to the duration of the time restriction and the amount of money deposited.

3. Services: there are a number of different transactions you can carry out with a current account; conversely, a savings account allows you to make a very limited number of transactions, as its main purpose is investment. A savings account does not allow you to use payment cards or apply for an overdraft or credit facility, that is using more money than is available in your account.

What happens to a bank account if the bank is in difficulty?

If the bank where you hold a current account is experiencing a financial crisis (technically, this situation is called 'compulsory administrative liquidation'), you can use the Interbank Deposit Protection Fund, a bank deposit guarantee scheme recognized by the Bank of Italy.

This Fund ensures the timely reimbursement of the money to the depositors, up to a maximum of €100,000.

This limit is valid for each depositor for each individual bank. This means that if a customer holds two accounts at two different banks that are both subject to compulsory administrative liquidation, they are entitled to a maximum of €200,000 (€100,000 for each account).

All Italian banks belong to the FITD, except for cooperative credit banks, which have their own deposit protection fund.

Remember that if your bank is in financial difficulty, both current and savings accounts allow you to take advantage of the Interbank Deposit Protection Fund to have the money you deposited reimbursed.

For more information on products you can use instead of a current account, read the box 'The current account: a comparison with alternative products'.

The current account: a comparison with alternative products

	Bank current account	Post office current account	Payment account at a PI or EMI (1)	Basic account	Prepaid card	Savings account	N.B.
Services							
Direct deposit of pension or salary payments	√	√	√	√	√*	√	* only for cards with an IBAN
Cash withdrawal	√	√	√	√	√	√	
Direct debit and automatic bill payment	√	√	√	√	√*	×	* only for cards with an IBAN
Credit transfer	√	√	√	√	√*	×	* only for cards with an IBAN
Debit card	√	√	√	√	×	×	
Overdraft or credit facility	√	√*	×	×	×	×	* BancoPosta loans are issued by other intermediaries
Temporary unauthorized overdraft	√	×	√*	×	×	×	* the credit allowed is only for completing payment transactions
Internet banking	√	√	√	√	√*	×	* only for cards with an IBAN
Cheque book	√	√	×	×	×	×	
Link to a securities custody account	√	√	×	×	×	×	
Safe deposit box	√	√	×	×	×	×	

(1) Payment institutions (PIs) are intermediaries that are authorized providers of payment services; e-money institutions (EMI) are intermediaries that, alongside banks and Poste Italiane, are authorized issuers of electronic money (that is, prepaid cards) and may provide other payment services as well.

The costs of a current account

What costs does a current account have?

In order to find out how much a current account is going to cost you, it is wise to compare the Information sheet (>A-Z) of the accounts, available free of charge on each bank's website or at their information desk. This way you can notice any differences in the costs of similar services and compare them, just as you would before choosing a household appliance or making an expensive purchase.

In order to choose the type of account that best suits your needs, ask yourself how many transactions you expect to carry out per month, so as to have an **estimate of the costs** based on those needs.

The costs of the different types of accounts

Consumer account	The consumer account (ordinary) is an account whose costs depend on the number of transactions made: the more you make, the more you spend. The consumer account is a good choice for those who plan to carry out a limited number of transactions, linked to specific needs (e.g. a second account for the transactions associated with securities trading or with automatic mortgage instalment payments).
Packaged current account	The annual fee may cover: ● a set number of free transactions (accounts "with a deductible"), above which charges apply for each extra transaction; ● an unlimited number of transactions (accounts "without a deductible"). The fee may include other services as well, such as a safe deposit box, insurance and even the management of a part of the funds deposited, to be invested for higher profit.

Basic account	This is a packaged account whose characteristics are provided for by law for the purposes of financial inclusion, that is to give everybody the opportunity to access essential financial services such as a debit or 'bancomat' card. The account does not usually include a chequebook, credit card, overdraft or credit facility and securities custody. The client pays an all-inclusive fee to access essential financial services. Some categories (families and pensioners who meet certain income criteria) can have a basic account free of charge. The income criteria are calculated using the ISEE (Indicator of household composition and financial situation), the index that represents a household's financial situation based on income and other elements of wealth. The ISEE Certificate is issued by the INPS (National Social Security Institute) and allows people to access social security benefits or public services under favourable conditions.
Convention-based accounts	These are accounts that benefit from discounts and favourable terms, thanks to agreements with specific categories of consumers.

It is important to check the fixed fees of a current account, such as:

- fees for opening the account;
- fees relating to payment cards;
- stamp duty;
- postage fees for any letters sent to the client.

… as well as the variable fees (which depend on the type and number of transactions), relating to:

- using a debit card for over the counter cash withdrawals: this may involve charges, especially if the money is withdrawn at a different bank to the one which issued the card, or abroad;
- using a debit card for making payments at an ATM, e.g. for bills and phone credit;

- cheque clearing;
- commissions and interests relating to any credit facilities;
- direct debit and recurring automatic payments (e.g. rent, bills, mortgage instalments);
- regular bank charges, that is the sum of charges and interest based on the account balance.

How interest is calculated

The balance of a current account may generate interest for the client if it is positive (credit interest) and for the bank if it is negative (debit interest). Both credit and debit interest must be calculated with the same frequency, no more than once a year and by 31 December every year.

The debit interest accrued over the year constitutes a debt that must be paid by a specific deadline (1 March of the year following the one when it was accrued). Remember that debit interest cannot generate more interest, unless the client chooses to authorize charging the debit interest onto their account. The authorization for this must be granted in written form, or using a digital equivalent; it can be given by the client upon signing the contract to open the account, or at a later date. See what your current account contract says. You can find more information in the Key Concepts section of the Bank of Italy website 'L'economia per tutti - Economics for everyone'.

Finally, for an overall estimation of the yearly costs of your current account, you can check the ICC (Comprehensive Cost Indicator, > A-Z), set out in the FID (Fee Information Document, > A-Z) provided by banks alongside the Information Sheet and the Summary Document (> A-Z).

The ICC indicates the comprehensive cost of the current account. It is an indicator introduced by the Bank of Italy in accordance with European law to make communication with consumers more transparent. It offers an estimation of the yearly costs incurred by different categories of consumers (young people, households that carry out different numbers of transactions, pensioners who execute a limited number of transactions). It includes the fixed and variable fees already mentioned, except for commissions and interests relating to any credit facilities.

The ICC is useful for quickly comparing the costs of the various current accounts offered by banks. The ICC may be very different from the actual cost incurred at year-end, based on how the customer actually uses the account.

Download from the bank's website or ask at a bank branch for a copy of the Contract or of the Summary Document

You can do it before the contract is signed and with no obligation for either party.

Find out how you can terminate your contract (for more information, read the chapter 'How to close a current account')

If there's anything you don't understand, ask the bank for clarification

How to open a current account

Once you have chosen an account

Check that the contract you are about to sign does not include any small print with less favourable terms than those advertised in the Information sheet or in the Summary Document

Opening an account, over the counter or online

The client is entitled to the documentation they need in order to evaluate and choose which bank account to open, with no obligation towards the bank (whether physically at the bank or online).

Once they have chosen the type of current account, the client opens the account.

When the drawing up of a contract is carried out digitally, a copy of the contract can be sent via internet provided it is in a durable medium, i.e. one that allows information to be stored and reproduced, such as an email attachment or a link to a personal internet banking section on the bank's website. The client is asked to clearly confirm that they have read and understood the terms of the contract before they can sign it, including via a digital medium.

Comply with anti-money laundering legal requirements

Make sure you provide the bank with all the information that is needed to verify your identity and the purpose of the account, as well as to comply with anti-money laundering inspections.

State whether you wish to receive communications from the bank via internet (free of charge in the case of legally required communications) or in printed form (postage fees apply)

Keep a copy of the contract that includes the bank's signature, as well as a copy of the Summary Document

You can download them from the internet if the contract was drawn up online.

Managing your account carefully

After you have opened an account

Advice for managing your account wisely:

1. Only execute payments if you have enough funds in your current account to cover them, or if you are sure you will by the time the money is debited

If you don't follow this advice, any imprudent behaviour may be reported to dedicated registers.

Specifically, if your card payments exceed your balance or if you have signed bad cheques, your data may be sent to the CAI (Interbank Register of Bad Cheques and Payment Cards, > A-Z).

In the event of an unauthorized overdraft, i.e. using funds that exceed your account's balance without having been allowed a line of credit by your bank ('going overdrawn'), or using funds that exceed your line of credit, you may be reported to the CR (Central Credit Register, > A-Z).

In the event of an unauthorized overdraft, remember that the bank may charge a fixed overdraft fee (known in Italian as a 'commissione istruttoria veloce', CIV).

CAI – Interbank Register of Bad Cheques and Payment Cards

This is an archive set up by the Bank of Italy. You will be reported to the CAI for the following reasons:

- If you have paid with an unauthorized cheque or if the cheque bounced (insufficient funds); registration in the CAI results in a 'system-wide revocation', meaning that you are barred from issuing cheques and opening new cheque facilities at any bank branch or postal office within the system for six months;
- If you have made payments or withdrawals using payment cards without having enough funds to pay the amounts due; following your registration in the CAI, your authorization to use credit and/or debt cards will be revoked for two years (if you apply for a new card, the issuer will decide whether or not to issue one to you).

The archive is accessible to all banks, Poste Italiane and all the intermediaries that issue payment cards.

You can access the CAI database to verify any data entered under your name: for information on how to do this, see the section Services for the public / Access to the data of the CAI on the Bank of Italy's website.

CR – Central Credit Register

This is a database, i.e. an information archive, managed by the Bank of Italy on household and firms' debts towards the banking and financial system.

You are reported to the CR if the sum to be repaid to the intermediary is equal to or over €30,000; this threshold is lowered to €250 if you have a bad debt.

The intermediaries are required by law to participate in this archive, and can access it to learn about their customers' overall level of indebtedness and whether or not they have made their payments.

The CR is useful:

- to people with a good credit history in order to get a loan and be offered better conditions;
- to banks and financial intermediaries for assessing a customer's ability to pay back a loan.

Everybody has a right to know whether they have been reported to the CR, and by whom, as well as to ask for any errors made in the reports to be corrected.

You can access the data recorded in the CR in your name: detailed information is available on the Services for the Public / Access to CR data webpage.

2. Fill out cheques in full and bear in mind the anti-money laundering rules

To avoid improper usage, cheques must include:

- your signature;
- the date of issue;
- the amount in letters and in figures;
- the name of the beneficiary.

3. Be careful and look after:

- your payment cards and the respective Personal Identification Numbers (never keep the cards and the numbers in the same place and never give the numbers to third parties);
- cheques: to avoid facilitating counterfeiting, never send pictures of cheques;
- the codes and PINs to access your home banking.

Be careful!

As soon as you discover that your card or cheque book has been stolen or lost, you should immediately notify your bank or financial intermediary (the numbers to call are on their websites. To minimize the risk of fraud, follow the security measures recommended by the bank to the letter.

4. When you make a credit transfer, make sure you write the IBAN (International Bank Account Number) correctly

A credit transfer moves a sum of money from the customer's account to a different account held by the beneficiary and identified by a specific IBAN (> A-Z), as per the customer's instruction.

If the IBAN is correct, the credit transfer will be carried out correctly, even if the name of the beneficiary is incorrect or incomplete.

If, on the other hand, the IBAN is different from that of the intended beneficiary, the bank is not responsible for the incorrect payment, as it executed the credit transfer on the basis of the information provided by the originator. This holds true even if the name of the beneficiary is written correctly. The bank must attempt to recover the funds credited on the wrong current account, but there is no guarantee that it will succeed. Always check the IBAN very carefully when you make a payment.

Remember that the bank is not obliged to verify that the IBAN matches the name of the beneficiary, so it executes the transaction on the basis of the IBAN you provided, not the name of the beneficiary.

The IBAN is the code – made up of letters and figures – that univocally identifies a current account through a bank account number (> A-Z). It serves as an address for the account and is indispensable when transferring funds between accounts through credit transfer or direct debit.

5. If you manage your account via internet, beware of frauds

Using the internet

If you go online and access your personal internet banking section using the credentials provided to you by the bank, you can see your bank statement and execute transactions (e.g. credit transfers and direct debits) without having to go to the bank.

Internet banking (or home banking) is more convenient and usually less expensive than going to a bank branch, but make sure you don't become a victim of fraud!

One of the most common frauds is called phishing, which involves receiving an email sent allegedly from your bank (or an intermediary that you know) and that:

- Asks for your confidential information in a seemingly plausible message (e.g. first and last name, PIN and password for accessing your online account, account number, ID number);
- Invites you to click on the links provided within the text of the message.

It is not always easy to spot these misleading messages, as they use the names and logos of important and reliable banks and institutions. When in doubt, remember that banks never ask their customers for data via email and that the banks' toll-free numbers can only receive calls, not make them. If you have any doubts, contact your bank and ask for information.

For more information see the Key Concepts section of the Bank of Italy website 'L'economia per tutti - Economics for everyone', which explains the main types of fraud.

6. Check the costs and the terms and conditions of the contract regularly

You can check them in the Statement of fees or in the bank statement (> A-Z) that the bank sends you and that includes the date on which each transaction is carried out and that on which the relative interest is either debited or credited. Check whether your account still suits your needs and if the bank is honouring the contract: it is never a waste of time to do this!

Unilateral changes

Most current account contracts include a clause, which must be specifically approved by the customer, which allows the bank to make unilateral changes to the financial terms, such as the interest rates (> A-Z), the costs and other conditions in the contract, provided they have legitimate reasons.

In such cases, the bank has to send a clear communication, stating its reason and giving at least two months' notice. In these two months, you can decide whether to keep your account or to terminate the contract without any penalties.

Need clarification? Have a complaint? Useful contacts

If something goes wrong

You can file a complaint with your bank

The bank must reply within 60 working days, reduced to 15 if the complaint is about payment services, such as debit cards or credit transfers.

You can register a complaint with the ABF (Banking and Financial Ombudsman)

You can resort to the Ombudsman if you are not happy with the bank's reply to your complaint, or if you received no reply.

ABF (Banking and Financial Ombudsman)

The ABF is a settlement scheme for disputes that offers a simpler, faster and less expensive alternative to a judicial proceeding: it costs €20 euros, which will be refunded if the ABF decision is in your favour.

You can submit a complaint online on the ABF website without legal assistance. The website also contains previous decisions made by the Ombudsman, divided by topic.

You can submit a complaint with the Bank of Italy to report conduct that you deem to be irregular or wrong, free of charge and with no need for legal assistance

The Bank of Italy encourages dialogue between the customer and the bank; it also gathers useful information for carrying out its regulatory and control functions, but does not make any decision concerning the dispute.

You can file a complaint via the Bank of Italy's website, in the section:

Services for the public / File a complaint

How to close a current account

If the characteristics or the costs of the account you have opened no longer suit your needs, you can:

- Close it at any time and/or withdraw from the services attached to it – such as debit cards, credit cards and automatic bill payment – normally with no expenses or penalties;
- Transfer your positive balance and/or all or some of the payment services (e.g. automatic payment of bills and mortgage instalments, direct deposit of salary payments, etc.) to an account you hold with a different intermediary. When you decide to transfer payment services to a different account, you can choose whether to keep your old account or to close it. You don't have to do the latter, but bear in mind that If you choose the former you will have to pay for the expenses relating to both accounts. Either way, remember that if you want to close your old account you need to make a specific request to the bank.

Consumer account portability

You can switch your account and the payment services attached to it to another bank in 12 **working** days at the most by means of the portability procedure, which is provided for by law and free of charge.

If your bank does not respect this deadline, you are entitled to automatic compensation of €40, plus interest for each day of delay based on your old account balance.

You can apply for the portability procedure with your new bank or intermediary, which will manage your request, by filling out a form they will provide, such as the one available on the Italian Banking Association (ABI) website: Modulo trasferimento conti di pagamento (abi.it)

In the case of a joint account, the application must be signed by each account holder.

Be careful!

Remember that **portability involves switching services, not accounts**. Asking to switch services does not mean that your old account will automatically be closed.

In order to be able to close the account, you must make sure there are no outstanding payments, and in your application for portability you will have to explicitly request that the account be closed: this is in addition to the request to transfer services.

Portability can be towards an existing account held with another bank, or towards a new account to be opened with another bank.

It does not mean moving the account, along with the its account number (IBAN), but rather transferring the payment services and the balance to a different account, with a **different account number**. If you close the old account, remember to use the new account number as soon as the transfer to the new account is effective.

You can transfer some or all recurring payment services to the new account: direct debits, direct deposits and automatic credit transfers towards third parties.

Some direct debits – such as those for credit cards or the Telepass service – cannot be transferred through the portability procedure, as they have their own specific processes. The same applies for payments initiated by the National Social Security Institute (INPS). Both the old and the new bank are required to inform you of this, but you need to be careful, as transfer times for INPS payments may be longer than those for other payment services.

For more information, see the section Key Concepts on the website 'Economia per tutti - Economics for everyone'.

Once you have closed your account read the final statement and check the Summary Document again

Once you have closed the current account read the final statement that the bank must give you, which is the document that summarizes the most important data from your account, including the balance at the moment the account is closed.

Remember to check the terms and conditions for closing the account as well, as stated in the Summary Document, and make sure the bank follows those terms.

Current accounts from A to Z

> ATM (Automated Teller Machine)

A terminal for withdrawing cash using a debit or credit card, checking account information or accessing other services.

> Automatic bill payment

This is a service offered with a current account that makes it possible to make regular payments, such as utility and mortgage payments, by directly debiting the current account (recurring direct debit).

> Balance

This indicates the difference between the payments into and out of a bank account on a given date.

The total balance takes into account all fully processed transactions.

The available balance may be different from the total balance, as it also takes into account pending transactions and is therefore the amount that can actually be used.

The balance is the sum of all the account's movements according to when they become effective on which interest is calculated.

> Bank account number

Generic term for the numeric or alphanumeric code that unequivocally identifies a current account. The code currently used to identify a current account is the International Bank Account Number (IBAN).

> Bank cheque

A bank cheque is a payment instrument made of paper, with which the payer orders a bank where they hold an account to transfer a sum of money available in their account to another person or entity.

> Bank statement

A document that the bank produces at regular intervals, listing the movements in the current account in chronological order. For each movement, a bank statement typically indicates:

- the date on which the transaction debiting or crediting the account is carried out;
- the date on which interest is either charged or credited;

- a description of the transaction;
- the amount of the transaction, and the relevant plus or minus sign.

> Basic account

This is a useful current account for consumers who need to manage their money easily and for the poorest sections of the population. It gives all consumers who are legally staying in Italy the opportunity to access essential payment services by offering a set number of transactions and services for a fixed annual fee. Banks, Poste Italiane and all other authorized Italian providers of payment services must offer a basic bank account.

It must be offered free of charge and exempt from stamp duty to consumers whose ISEE (Indicator of household composition and financial situation) is currently below €11,600. A special type of basic account is offered free of charge (but with no exemption from stamp duty) to those eligible for a gross annual pension income below €18,000 but who don't meet the ISEE criteria.

An application for a basic account can only be rejected if the applicant doesn't meet the criteria (for instance, if they already hold another payment account in Italy, or if they are not consumers, or if they are not legally staying in Italy), or if the bank has reason to believe that they will use the account for illegal purposes. The consumer must be notified of the rejection in writing, and free of charge, within ten working days; the bank or intermediary that rejected the application is required by law to state the reasons for the rejection. The consumer can contest the rejection in three ways: by filing a complaint with the bank or intermediary, by filing a complaint with the Bank of Italy, or by appealing to the Banking and Financial Ombudsman or another out-of-court dispute settlement system.

You can close your basic account at any time. As with any other payment account, you cannot be charged any account-closure fees or penalties; you may be charged some fees for the services you used in the months before you close it, as well as the annual fee in proportion to the number of months the account has remained open.

The intermediary can only terminate your account in the cases and in the manner provided for by law. In order to switch to a basic account from a different type of account, or to switch from a basic account to a new type, the same portability procedure applies as for the all other payment accounts.

> CAI – Interbank Register of Bad Cheques and Payment Cards

A computerized archive set up by the Bank of Italy to ensure the smooth functioning of the payment system. The register contains data on:

- persons who have issued unauthorized or uncovered bank and postal cheques;
- persons whose authorization to use credit and/or debt cards has been revoked because of failure to pay amounts due for transactions conducted.

> Credits and debits

Credits are sums of money deposited in a current account; debits are sums of money withdrawn or used to make payments by the customer or by the bank on the customer's behalf.

> Credit card

A card that allows the holder to purchase – whether at a POS or online – goods and services from any commercial establishment that is a member of the payment circuit on which the card is accepted, as well as to withdraw cash from an ATM, with the sum repaid at a later date. There is generally a spending limit on transactions that is indicated in the contract. Depending on the contract and type of credit card, the cardholder can repay the entire amount at once - usually every month - debited from a current account ('traditional credit card' or 'charge card') or in instalments with interest added ('revolving credit card'). Withdrawing cash with a credit card means that money is advanced, and it therefore involves fees.

> Credit transfer

A payment transaction that allows funds to be moved from one account to another.

Credit transfers within the Single Euro Payments Area (SEPA) are carried out in the same manner and under the same conditions, regardless of whether the payments are being made within Italy or cross-border.

The person transferring the money is called the originator, while the recipient is called the beneficiary. When the transfer is made between accounts at the same bank, it is called a giro transfer.

> Creditor interest rate

The rate used to periodically calculate the interest accrued on the amounts deposited (creditor interest), which is then credited to the account after taxes are deducted.

> CR – Central Credit Register

An information system managed by the Bank of Italy in which loans for more than €30,000 are registered based on obligatory reporting by lenders. If the borrower, owing to a serious breach of contract, is classified as 'in default',

this fact is also recorded in the Central Credit Register for loans under €30,000. The data in the Central Credit Register are available to lenders, who can view the total amount of loans granted to each borrower by banks and financial companies, not limited to Italian lenders. Lenders can therefore learn whether the loans have been paid regularly and whether there have been any missed or late payments. Borrowers can also gain access, free of charge, to data concerning them in the Central Credit Register. To learn more, contact a Bank of Italy branch. The data in the Central Credit Register are confidential: that means they are covered by professional secrecy and cannot be shared with third parties or made public. This is because it is information acquired by the Bank of Italy while performing its supervisory function.

> Debit card ('Bancomat')

A card that permits cardholders to use the money from their current account to purchase (using a POS terminal) goods and services from any commercial establishment that is a member of the payment circuit on which the card is accepted, and in some cases online. The card also allows you to make cash withdrawals and to pay for bills, phone credit, etc. (using an ATM).

> Debtor interest rate

The rate used to periodically calculate the interest charged to the customer on the amounts drawn beyond the balance available on the account. The interest is then charged to the account.

> Deposit

This is when you put money into your bank account, as well as any money kept in the account.

> Direct Debit

Direct debit is a payment transaction whereby the payee, having been formally authorized by the payer, requests that a certain amount be debited from the payer's account.

It enables the payer to make payments automatically, whether on a one-off or a recurring basis and on a fixed due date, to businesses or other providers of goods and services (for example, electricity, gas and telephone bills or loan payments). If it involves recurring payments, it is called an automatic bill payment.

The payer has to give the company providing the utility or service a payment mandate.

> Fee Information Document (FID)

This is a document, based on a standardized European template, provided by banks to consumers interested in opening a current account. The document provides information about the fees for using the main services linked to the account (the list of these services has been published by the Bank of Italy). The document helps you to compare these fees with those of other accounts.

The fee information document indicates the Comprehensive Costs Indicator (ICC).

> IBAN – International Bank Account Number

An alphanumeric code – made up of 27 letters and figures – that identifies one's current account. It serves as an address for the account and is indispensable in transferring funds between accounts. Even if the beneficiary's name is incorrect or incomplete, a credit transfer can still be carried out successfully with a correct IBAN.

> ICC – Comprehensive Cost Indicator

The ICC is a European indicator introduced by the Bank of Italy to make communication with consumers more transparent. Banks are required to provide it to customers before they open a current account. It offers an estimation of the costs of maintaining a current account, tailored to different user profiles.

It is useful for quickly comparing the costs of the various current accounts offered by banks.

The ICC is calculated:

- For consumer accounts, based on a single user profile with a low number of transactions;
- For packaged accounts, based on six user profiles (young people; households that make a low, average or large number of transactions; retired persons with light or average account usage);
- For basic accounts, it is the same as the all-inclusive annual fee.

The ICC is set out in the Fee Information Document.

> Information Sheet

A document that financial intermediaries provide to customers for each product or service offered. It contains information on the bank or intermediary, and the terms, conditions and main features of the product or service. The provisions of the contract must be consistent with the Information Sheet.

> Internet banking (home banking)

With internet banking, bank customers can carry out banking transactions - such as credit transfers and payments - on the internet without having to go to a branch. You can access internet banking by entering your username and password. In addition to the convenience, internet banking often offers banking services at a lower cost.

> Overdraft or Credit Facility

An amount that the bank makes available on a customer's current account beyond the customer's balance, in response to their request. Compared with other types of loans (such as the more common loans with a fixed maturity), an overdraft:

- Is more *flexible*, both in terms of how it is granted (following an evaluation of the customer's creditworthiness, i.e. their ability to repay the loan) and how it is repaid;
- May be more *expensive* in terms of interest and fees, so it is important to check the costs during the contract as well.

The overdraft is granted through a *contract* to open a current account credit facility: on top of interest, the bank may charge a comprehensive fee for making extra funds available. This fee cannot legally be higher than 0.5 per cent every three months of the sum made available.

The Information sheet contains practical examples that can provide an idea of how much an overdraft facility might cost.

> Payment account

A payment account can be a bank current account, a post office current account and any product that allows you to execute essential payment transactions: deposits, withdrawals, receipt of funds, execution of payments, and use of payment cards.

> Phone banking

This is a service that allows you to carry out operations – such as credit transfers and other payments like phone top-ups or bills – without going into a bank, by calling the bank's call centre. Many banks have a toll-free number for customers to use.

> POS – Point of Sale

A point-of-sale is a physical or online device used by merchants to process payments using credit, debit and prepaid cards.

> Securities account

A special type of account only used for 'holding' the proceeds from the trading of financial instruments, such as government securities, investment fund shares, stocks and bonds.

Securities accounts are linked to a current account, from which the applicable taxes and fees are deducted and in which profits such as dividends and coupon payments are deposited.

> Statement of fees

This is a document, based on a standardized European template, provided by banks to account holders free of charge at least once a year, alongside the bank statement and the Summary Document. The document states all expenses incurred, as well as information on any interest that may have been paid or earned during the period indicated.

The Statement of Fees indicates the Comprehensive Costs Indicator (ICC) included in the Fee Information Document (FID) for the same account. This helps in comparing the total amount of the expenses incurred and the estimate provided by the ICC, in order to check whether the type of account chosen is actually the most suitable for your needs.

> Summary Document

The Summary Document is an attachment to the contract, which contains the financial terms and conditions advertised in the Information Sheet of a particular type of transaction or service, specifying the data that refer to a specific customer.

If the offer for a transaction or service cannot be tailored to a specific customer, the Information Sheet and the Summary Document may look the same. In this case, the title page of the contract is the Information Sheet.

The Bank of Italy's rules on transparency oblige financial intermediaries to provide their customers with the Summary Document as part of the pre-contractual information, and the Bank has provided a standard template for this type of document.

My rights

When making your decision

- Get a copy of the Fee Information Document free of charge and keep it with you. The FID contains information about the fees for using the main services linked to the payment account. It is important to know the ICC of the current account for each user profile.
- Get a copy of the Information Sheet free of charge and keep it with you. It contains information on the terms, conditions and main features of the current account and of the attached services.
- Get a copy of the contract and/or Summary Document and keep it with you, even before the contract is signed and with no commitment for the parties.
- Get the Information Sheet from the bank's website and, if it is possible to sign the contract online, get a copy of the contract and the Summary Document before doing so.
- Get information on how to terminate the contract.

When you sign the contract

- Look at the Information Sheet and the Summary Document, which includes all financial terms and conditions and is attached to the contract.
- Check that the terms and conditions of the contract are no less favourable than those advertised in the Information sheet or in the Summary Document.
- Choose whether you want to communicate online or by letter once your account is open. Communications that must be made by law are always free of charge.
- Get and keep a copy of the contract that includes the bank's signature, as well as a copy of the Summary Document. If the account is opened online, get official proof that the contract has been signed, a copy of the contract and of the Summary Document.

During the contractual relationship

- You should receive a bank statement at least once a year. Be aware that you can challenge the content of the bank statement within the terms provided by law, that is 60 days from the moment you receive it; the terms are usually stated in the bank statement's header. If the bank statement reports an unauthorized payment, contact the bank as soon as possible to ask for a refund of the sum, and in any case within a maximum of 13 months from the date it was debited.
- You should receive a Statement of Fees at least once a year. It states all the expenses incurred in the period indicated.
- You should be given two months' notice by the bank on any proposal for changes to the contractual terms (this is usually stated in the contract). The proposal must state the bank's reason for the changes and may be rejected by terminating the contract.
- Both credit and debit interest should be calculated with the same frequency.
- You can close the current account and terminate the services attached to it (such as debit cards, credit cards, automatic payments) at any time, normally with no charge or penalty.
- Get a copy of the documents reporting each transaction executed in the last ten years, for a fee, within 90 days of your request. You can request them even after the account has been closed.
- You should have the amounts of the cheques or bank drafts you cash in available on your account within four days of depositing them.
- You should start earning interest on any sum you deposited from the day you deposit it (or bank or cashier's cheques, provided they have been issued by your bank) and have the sum available immediately.
- If you pay in cashier's cheques issued by another bank, the interest earned should be available the day after, and interest on bank drafts from another bank should be available after three working days.

After the contract is terminated

- You should receive a final statement, containing a full list of transactions and the balance, as well as the Summary Document.

Notes

Private and Family Customer Service
Toll-Free Number **800.57.57.57**
From abroad **+39 02 33408973**
Not a Customer yet?
Toll-Free Number **800.32.32.85**

Enterprise Customer Service
Internet Bank
Toll Number **848.88.00.88**
From abroad **+39 02 33408967**

Internet Bank CBI
Toll Number **848.690.300**
From abroad +39 045 8064628
Not a Customer yet?
Toll-Free Number **800.88.11.77**

Corporate Customer Service
Uniweb
Number **199.100.952**
From abroad **+39 045 8064628**
Unico Online
Number 199.240.003

Private Banking Customer Service
Toll-Free Number **800.710.710**
From abroad +39 02 33408963

In the event of a dispute arising out of or relating to products and banking and financial services or to investment services between the Customer and the Bank, the Customer can submit a complaint, also by registered letter with acknowledgement of receipt or by telematic means, adressed to:

UniCredit S.p.A.Customer Satisfaction & Claims Italy
Via Del Lavoro 42 40127 Bologna
Telefono: +39 051.6407285 **Fax**: +39 051.6407229
Email: **Reclami@unicredit.eu**
Indirizzo PEC: Reclami@PEC.UniCredit.eu

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Registered in the Register of Banking Groups and
Parent Company of the UniCredit Banking Group
Cod. ABI 02008.1
cod.02008.1
Fiscal Code, VAT number and Registration number with the Company Register of Milano – Monza – Brianza - Lodi: 00348170101 Member of the National Interbank Deposit G uarantee Fundand of the National Compensation Fund.

The Bank of Italy is the central bank of the Republic of Italy.

Its objectives include:

– ensuring the transparency of banking and financial services

– improving the public's understanding of financial topics

– helping the public understand the most common products and make informed decisions.

The 'made easy' guides are part of this commitment.

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